



14 April 2009

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Dear Sir

Duketon Gold Project to be developed

Regis Resources Ltd's 100% owned Duketon gold project in Western Australia will be developed into a 145,000 ounce a year gold producer with construction of the mine due to start in the third quarter this year.

The Regis Resources board has formally decided to proceed with the \$125.3 million project after receiving a Definitive (Bankable) Feasibility Study two weeks ago.

Regis managing director, David Walker, said, "The economics of the project, particularly in the current gold climate, are very strong and offer significant value to shareholders."

Financing options for the Duketon gold project development, which will ensure the best possible return for shareholders, are presently being studied and discussions with potential financiers are well advanced

Project Economics

Highlights

- *Initial gold production of 145,000 ounces in year 1*
- *Average annual production of 111,000 ounces.*
- *Current mine life of five years*
- *Project capital cost of \$125.3 million with \$6.8m pre-strip costs and \$10.7m contingency. Opportunity to reduce capital costs.*
- *Reserves optimised at \$A1,000/ounce*
- *Gold recovery of 543,000 ounces from the initial reserves of 598,000 ounces.*
- *Year 1 cash costs of A\$345/ounce (pre-royalty)*
- *Average life of mine cash costs (pre-royalty) of \$A495/ounce*
- *Gold recovery conservatively modelled at 91.6%.*
- *Construction schedule of 17 months (based on a new plant)*
- *Annual ore throughput of 2.5 million tonnes*

The Definitive Feasibility Study (DFS) was completed in conjunction GR Engineering which undertook the initial engineering and design work and also coordinated technical inputs from consultants.

The study was based on the construction of a new plant, infrastructure and accommodation facilities for a total capital cost of \$125.3m. In addition, it is anticipated that \$6.8m of pre-stripping and capital works activities will be capitalised, and allowance for a further contingency of \$10.7m has been made.

The board notes that whilst this capital cost is based on third party sourced quotations and rates, there remains scope to refine this capital cost downward through the detailed engineering phase.

The project is anticipated to produce 543koz of gold over its initial mine life of 5 years (based solely on currently published reserves) at an average cash cost of A\$495/oz (pre-royalties). Significantly, with the low cost scraper mining method in the early years and the ability to process higher grade laterite ores early in the campaign, cash costs for the first year of production following commissioning are sub A\$350/oz (pre-royalties) allowing rapid repayment of project debt.

The DFS was prepared using an average forecast gold price over the period of A\$1,067 and at that price, the project is expected to produce gross cash flows over the 5 year life in excess of A\$270m. Significantly, the company currently has tax losses available to it of over \$90 million, which will allow use of available free cash for dividend distribution or other capital investment early in the base case project life.

In addition to the existing gold reserves, the board of Regis expects further upgrades to the Moolart Well oxide reserves and the addition of new reserves from the Erlistoun satellite deposit over the next two quarters. Cash operating costs for these new reserves are expected to be similar to those for the base project. These additions will be incorporated into a revised mining plan at the appropriate time.

Yours sincerely



David Walker
Managing Director
Regis Resources Limited

Duketon gold project background

The Duketon gold project consists of nine separate shallow gold deposits, all within trucking distance of a proposed central processing facility at Moolart Well. Regis acquired a 100% controlling interest in the Duketon project in December 2006. In September 2007 clawback rights held by Newmont Mining expired giving Regis clear ownership in the project. In the 18 months since the expiry of Newmont's clawback rights Regis has advanced the Duketon project to the brink of development with the completion of a (bankable) Definitive Feasibility Study received in March 2009. The progression from exploration to completion of the DFS involved an additional 62,000 metres of reserve drilling to define an initial gold reserve of 598,000 ounces. Drilling to extend these reserves is continuing. The Duketon project is located near Leonora in Western Australia.

Regis Resources background

Regis Resources Ltd is a mineral exploration company with significant gold and nickel exploration properties in the Eastern gold fields of Western Australia. When it was created, in August 2004, through a reconstruction of the former Johnson's Well Mining NL, Regis owned a 20% interest in the Duketon Gold Project, with the remaining 80% held by Newmont Mining.

Regis acquired 100% and control of Duketon in December 2006 at which time Newmont became Regis' largest shareholder with a 49% holding.

Newmont Australia managing director, Paul Dowd retired from Newmont and shortly afterwards became a director of Regis. At that time gold resources attributable to Regis stood at 1.35 million ounces. Within months, completion of purchases from Newmont had increased Regis' attributable resources to more than 2.24 million ounces of gold.

Total resources at the Duketon project now stand at more than 3.5 million ounces including a proven reserve of 598,000 ounces.

Regis has completed a Definitive Feasibility Study on the Duketon Gold Project and has announced a decision to move into full gold production.

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The technical information contained in this report has been reviewed by Mr. David Walker who is a member of the Australasian Institute of Mining and Metallurgy and has more than 20 years experience in the exploration industry.